

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 952 - SB 858

March 15, 2023

SUMMARY OF BILL AS AMENDED (005507, 005864): Authorizes the Health Facilities Commission (HFC), for purposes of providing acute care services, to license a facility that is additionally licensed by the Department of Mental Health and Substance Abuse Services (DMHSAS). Authorizes the Board for Licensing Healthcare Facilities (Board) to promulgate rules governing the designation of rural emergency hospitals. Establishes that three or more members of the Board constitutes a quorum for contested case hearings and disciplinary matters. Authorizes the board chairperson to split the Board into panels of three or more members to conduct contested case hearings or disciplinary matters. Establishes standards for actions by the Board to recover or collect civil monetary penalties from facilities.

Effective July 1, 2024: Terminates the Board and reconstitutes the HFC. Increases, from 11 to 15, the total number of members on the HFC. Transfers the powers and responsibilities of the Board to the HFC. Grants the Executive Director of the HFC membership on the State Palliative Care and the Quality of Life Council and the Alzheimer's Disease and Related Dementia Advisory Council (Councils).

Authorizes mental health facilities and substance abuse facilities to be licensed by other departments or agencies of the state, in addition to the DMHSAS.

FISCAL IMPACT OF BILL AS AMENDED:

Decrease State Expenditures - \$16,300/FY24-25 and Subsequent Years

Assumptions for the bill as amended:

- Public Chapter 1119 of 2022 transferred the administration of the Board from the Department of Health to the HFC.
- According to information provided by the HFC, any additional responsibilities can be accommodated utilizing existing personnel and resources and without an increase in expenditures.
- The proposed legislation consolidates the Board and the HFC.
- The Board currently has 18 non-government members and meets four times per year. Each member receives compensation for travel expenses of approximately \$160 (\$0.63 per mile x 254 miles), resulting in annual expenditures of approximately \$11,520 (18 members x 4 meetings x \$160).
- The HCF currently has eight non-government members and three executive branch agency representatives, for a total of 11 members. The HCF meets 12 times per year.

- Each non-government member receives travel compensation and a \$50 per diem, for a total of \$210 (\$160 + \$50) per meeting. The three executive branch agency representatives attend meetings in the course of their regular business. The total annual expenditures are approximately \$20,160 (8 members x 12 meetings x \$210).
- The total annual expenditures for the Board and the HFC for board member compensation is \$31,680 (\$11,520 + \$20,160).
- Under the proposed legislation, the HFC will have 12 non-government members and three executive branch agency representatives, for a total of 15 members. The HFC will meet 8 times per year. Non-government members will receive travel compensation, but not an additional per diem. Executive branch agency representatives will attend meetings in the course of their regular business, resulting in a total amount of expenditures of \$15,360 (12 members x 8 meetings x \$160).
- There will be a recurring decrease in state expenditures of approximately \$16,320 (\$31,680 - \$15,360) in FY24-25.
- The Executive Director will not receive compensation for service on the Councils.
- Currently DMHSAS licenses psychiatric facilities.
- It is assumed that licensing fees and allocation of such fees will remain unchanged.
- The proposed legislation is not estimated to result in a reduction in the number of beds licensed by the DMHSAS. Any impact to the DMHSAS will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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